

AMENDED IN ASSEMBLY APRIL 21, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 978

Introduced by Assembly Member V. Manuel Perez

February 26, 2009

An act to add ~~Section 7286.61 to~~ *Chapter 3.9 (commencing with Section 7297) to Part 1.7 of Division 2 of the Revenue and Taxation Code*, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 978, as amended, V. Manuel Perez. Transactions and use taxes: *cities*; counties; economic development.

Existing law authorizes various local governmental entities, in accordance with certain requirements and limitations, to adopt ordinances to levy transactions and use taxes pursuant to the Transactions and Use Tax Law and to contract with the State Board of Equalization to perform all functions incident to the administrative and operation of the ordinance.

This bill would additionally authorize the *city council of a city and the board of supervisors of a county* to impose a transactions and use tax at a rate of 0.125% by the adoption of an ordinance, as specified, if certain conditions are met. Revenues from the tax could be used only for funding economic development within the county, including the construction and acquisition of facilities within the county, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Chapter 3.9 (commencing with Section 7297) is*
2 *added to Part 1.7 of Division 2 of the Revenue and Taxation Code,*
3 *to read:*

4
5 *CHAPTER 3.9. CITY AND COUNTY TRANSACTIONS AND USE*
6 *TAXES: ECONOMIC DEVELOPMENT PROJECTS*
7

8 7297. (a) *In addition to the tax levied pursuant to Part 1.5*
9 *(commencing with Section 7200), and any other tax authorized by*
10 *this part, the city council of a city and the board of supervisors of*
11 *a county may impose a transactions and use tax for the purposes*
12 *described in paragraph (5), by the adoption of an ordinance in*
13 *accordance with this part if each of the following conditions are*
14 *met:*

15 (1) *The ordinance imposing the city wide tax is submitted to*
16 *and approved by the voters of the city by a two-thirds vote of those*
17 *voters voting on the ordinance in accordance with Article 3.7*
18 *(commencing with Section 53720) of Chapter 4 of Part 1 of*
19 *Division 2 of Title 5 of the Government Code.*

20 (2) *The ordinance imposing county wide tax is submitted to and*
21 *approved by the voters of the county by a two-thirds vote of those*
22 *voters voting on the ordinance in accordance with Article 3.7*
23 *(commencing with Section 53720) of Chapter 4 of Part 1 of*
24 *Division 2 of Title 5 of the Government Code.*

25 (3) *The ordinance includes an expenditure plan describing the*
26 *specific purposes for which the revenues from the tax may be*
27 *expended.*

28 (4) *The tax is imposed at a rate of 0.125 percent for a period*
29 *not to exceed eight years.*

30 (5) *The revenues collected from the tax are used only for funding*
31 *economic development projects, including, but not limited to, the*
32 *construction and acquisition of facilities within the city or county.*

33 (6) *The transactions and use tax conforms to Part 1.6*
34 *(commencing with Section 7251) including the limitation in Section*
35 *7251.1 on the combined rate of all taxes in the city or county*
36 *imposed pursuant to that part.*

37 (b) *The city council or the board of supervisors may impose a*
38 *transactions and use tax in any succeeding period not to exceed*

1 *eight years per period, if all of the conditions specified in*
2 *subdivision (a) are met for that succeeding period.*

3 ~~SECTION 1. Section 7286.61 is added to the Revenue and~~
4 ~~Taxation Code, to read:~~

5 ~~7286.61. (a) In addition to the tax levied pursuant to Part 1.5~~
6 ~~(commencing with Section 7200), and any other tax authorized by~~
7 ~~this part, the board of supervisors of a county may impose a~~
8 ~~transactions and use tax for the purposes described in paragraph~~
9 ~~(4), by the adoption of an ordinance in accordance with this part~~
10 ~~if each of the following conditions are met:~~

11 ~~(1) The ordinance imposing the tax is submitted to and approved~~
12 ~~by the voters of the county by a two-thirds vote of those voters~~
13 ~~voting on the ordinance in accordance with Article 3.7~~
14 ~~(commencing with Section 53720) of Chapter 4 of Part 1 of~~
15 ~~Division 2 of Title 5 of the Government Code.~~

16 ~~(2) The ordinance includes an expenditure plan describing the~~
17 ~~specific purposes for which the revenues from the tax may be~~
18 ~~expended.~~

19 ~~(3) The tax is imposed at a rate of 0.125 percent for a period~~
20 ~~not to exceed 16 years.~~

21 ~~(4) The revenues collected from the tax are used only for funding~~
22 ~~economic development projects, including, but not limited to, the~~
23 ~~construction and acquisition of facilities within the county.~~

24 ~~(5) The transactions and use tax conforms to Part 1.6~~
25 ~~(commencing with Section 7251) including the limitation in Section~~
26 ~~7251.1 on the combined rate of all taxes in the county imposed~~
27 ~~pursuant to that part.~~

28 ~~(b) The board of supervisors may impose a transactions and use~~
29 ~~tax in any succeeding period not to exceed 16 years per period if~~
30 ~~all of the conditions specified in subdivision (a) are met for that~~
31 ~~succeeding period.~~